

DECLARATION OF PROTECTIVE COVENANTS FOR
MELODY RANCH RESIDENTIAL UNIT TWO - FIRST FILING

ARTICLE I - IMPOSITION AND PURPOSE OF COVENANTS
AND ANNEXATION OF ADDITIONAL PROPERTY

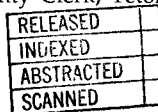
This document shall be and shall constitute the Declaration of Protective Covenants for Melody Ranch Residential Unit Two - First Filing, according to the plat thereof to be recorded in the office of the Teton County Clerk concurrently with this Declaration.

1.1 General Requirements. The name of the common interest community created hereby is the "Melody Ranch - Residential Unit Two." It is the intention of Declarant, expressed by its execution of this instrument, that the lands within Melody Ranch Residential Unit Two - First Filing (hereinafter "Subdivision") be developed and maintained as a highly desirable rural residential area. It is the purpose of these covenants that the present natural beauty, the natural growth and native setting and surroundings of the Subdivision shall always be protected insofar as it is possible in connection with uses and structures permitted by this instrument. It is of primary intent that the integrity and value of each home site in the Subdivision shall be protected insofar as possible.

1.2 Planned Community. The Subdivision shall be considered a Planned Unit Development for purposes of the Land Use Development Regulations and Resolutions of Teton County.

1.3 Imposition of Covenants. Declarant hereby declares that all of the property subject to the recorded plat of Melody Ranch Residential Unit Two - First Filing, shall be owned, held, sold, conveyed, encumbered, leased, used, occupied and developed subject to all of the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the property to which they are subject, and be binding on all parties having any right, title or interest in the said property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of any part thereof.

1.4 Right to Include Additional Properties. Declarant reserves the right to subject any additional Subdivision Filings for real property within the benefiting parcel to the terms, conditions and restrictions of these Covenants, hereby making the owners of such property members of the Melody Ranch Homeowners Association as hereinafter provided. Inclusion of additional properties may be accomplished, in the sole discretion of Declarant, or Declarant's successors or assigns, by recording a Declaration of Covenant describing the property upon which these Covenants are to be imposed and adopting these Covenants by specific reference to the date, instrument number, date of recording and recording information for these Covenants as reflected in the records of the Teton County Clerk, Teton County,



Wyoming. Upon such recordation, the additional properties shall be subject to these Covenants as if the same were set forth in full in such Declaration.

1.5 Annexation. It is contemplated by the Declarant that the property subject to these Covenants may at some time be the subject of a proposal for annexation by the Town of Jackson. A primary utility service of the Subdivision, that is the sanitary waste water collection and treatment system, is provided by the Town of Jackson and as a condition of such provision of service, the Town of Jackson has required that all persons, by acceptance of a deed for a lot in the Subdivision, will be deemed to have consented to annexation by the Town of Jackson. In furtherance of that objective, each owner of a lot or residence, by acceptance of a deed, does thereby agree to consent in whatever form may be required by applicable statutes, to such annexation and agrees that they will not object to or oppose annexation by vote or any other means or methods.

1.6 Improvement and Service District. It is contemplated by Declarant that an Improvement and Service District may be formed to be known as Melody Ranch Improvement and Service District which may provide sewer, domestic water, irrigation water, snow removal, trash pick up, open space and landscape easement and maintenance services, and such other services as may be lawfully provided by such an Improvement an Service District. All lot and residence owners within the property subject to these Covenants and within the boundaries of the Improvement and Service District shall be subject to the rules and regulations of the Improvements and Service District and shall pay all applicable fees, assessments and meter charges levied by the District. The level of such fees, assessments and meter charges, and all rules and regulations with regard to utilization of services may be established by the District and may be modified or amended on an annual or other regular basis. All lot and residence owners, by accepting a deed to the property, shall consent and shall be deemed to have consented to the establishment of the Improvement and Service District and will not oppose the establishment of the Improvement an Service District by vote or any other action.

1.7 Previous Declarations. Prior filings of the Melody Ranch Planned Unit Development include Melody Ranch Residential Unit One - First Filing, Plat No. 858, Melody Ranch Residential Unit One - Second Filing, Plat No. 863 and Melody Ranch Residential Unit One - Third Filing, Plat No. 925. Each of these previous filings are subject to Covenants, Conditions and Restrictions which are similar to or in some cases identical with applicable provisions of the Convenants, Conditions and Restrictions set forth in this declaration. It is the intention of Declarant that each of the lots in previous three filings of Melody Ranch Residential Unit One, and of Melody Ranch Residential Unit Two - First Filing be treated as one single residential community planned, subdivided and constructed in accordance with all of the applicable conditions and standards of the Melody Ranch Planned Unit Development Final Development Plan. No new or additional Homeowners Association, Site Committee or Architectural Review Committee is contemplated by this declaration of Covenants, Conditions and Restrictions, but rather the lot owners

of Melody Ranch Residential Unit Two - First Filing shall be members of the Meadows at Melody Ranch Homeowners Association.

ARTICLE 2 - DEFINITIONS

The following words, terms and phrases, when used in this Declaration, shall have the following meanings:

2.1 Agricultural Easement Area. Any area designated for agricultural purposes, including, without limitation, farming and ranching activities, identified as "Agricultural Easement Area" on any recorded plat, or the Melody Ranch Panned Unit Development Plan and subject to the restrictions and limitations set forth herein.

2.2 ARC. Architectural Review Committee.

2.3 Benefiting Parcel. The Property comprising all of the Parcels reflected in Melody Ranch Upper Ranch Master Plat together with the Second and Third Amendments thereof but excluding Lots 17 and 18 of Melody Ranch Upper Ranch Master Plat Third Amendment, Lots 4, 7, 8, 9 and 10 of Plat No. 856, Lot 15 of Plat No. 884 and Melody Ranch Townhomes First Filing Plat No. 909.

2.4 Declarant. The Declarant is Melody Ranch Development I LLC, a Wyoming limited liability company.

2.5 Declaration. This Declaration of Protective Covenants for Melody Ranch Residential Unit Two - First Filing and any and all duly executed amendments, supplements, or additions to this Declaration recorded in the office of the Clerk and Recorder of Teton County, Wyoming, and including any maps or plats recorded in connections therewith.

2.6 Improvement and Service District. Shall mean the quasi-government entity, if any, formed and approved for the Melody Ranch Subdivision for the purpose of providing certain services and improvements within the Melody Ranch Planned Unit Development and surrounding properties.

2.7 Lots. Shall mean all of the subdivision lots shown on a recorded plat of the Subdivision and designated by a lot number.

2.8 Melody Ranch Planned Unit Development Final Development Plan. The Final Development Plan for the Melody Ranch Panned Unit Development approved by the Board of County Commissioners of Teton County, Wyoming, on the 3rd day of October 1995 and amended from time to time..

2.9 Melody Ranch Residential Unit Two. Lots 3-C, 19 and 20 of the Melody Ranch Upper Ranch Master Plat Third Amendment according to that plat recorded

as Plat No. 950 in the records of the Teton County Clerk, Teton County, Wyoming on the _____ day of April, 1999.

2.10 Owner. Means any person, firm, corporation, partnership, association, or other entity, including the Declarant, or any combination thereof, who own(s) one or more lots of the Subdivision. The term "Owner" shall not refer to any lien holder unless such lien holder has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

2.11 Recorded Plat. Shall mean that subdivision plat described as Melody Ranch Residential Unit - Two, First Filing to be recorded in the records of the Teton County Clerk, Teton County, Wyoming concurrently herewith (hereinafter referred to as "Plat") and any Amendments or Replats thereof of all or a portion of said Lands.

2.12 Recreational Open Space Lot. Shall mean lots identified on the Plat as "Recreational Open Space" and shall be subject to the restrictions and limitations set forth herein.

2.13 Subdivision and the Term Subdivide. The term "Subdivision" shall mean Melody Ranch Residential Unit Two - First Filing, according to the Declaration of Protective Covenants for Melody Ranch Residential Unit Two - First Filing and the Plat thereof, as herein defined, filed for record in the real property records of Teton County, Wyoming. The terms "subdivide" or "subdivided" shall apply to the creation of a separate lot or lots processed as a subdivision under the terms of Teton County Land Development Regulations.

ARTICLE 3 - MELODY RANCH HOMEOWNER ASSOCIATION

3.1 Membership and Voting Rights in the Association. All Owners who own or acquire the title in fee to any of the lands in the subdivision (other than lands dedicated as public roads, if any), by whatever means acquired, shall automatically become Members of The Meadows at Melody Ranch Homeowners Association, Inc. (hereinafter referred to as "Association"), a Wyoming nonprofit corporation, in accordance with Articles of Incorporation of said Association as filed with the Secretary of State of the State of Wyoming, and as the same may be duly amended from time to time.

3.2 Association Easement. The Association shall have the right of access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of utility extensions, roads and fences, ditches and irrigation systems and at any time for the making of emergency repairs, and shall have non-exclusive easement as may be appropriate to perform the duties and functions which it is permitted to perform pursuant to this Declaration. In addition to the foregoing, The Association shall also have the right to establish utility easements from time to time for the benefit of owners of Lots within the Subdivision across any of the lands within the Subdivision subject, however, to the

prior approval of the location of said easements by the Architectural Review Committee (ARC) and the owner of the effected Parcel, which approval shall not be unreasonably withheld; further provided however that the owner of the effected Parcel or the ARC may impose conditions on the use, installation, revegetation or rehabilitation required to restore any disturbed property to its prior condition after completion of the installation and any such utilities and may further require that all such utilities be installed underground.

3.3 Governing Instruments. The Administration of the Association shall be governed by this Declaration and the Articles for Incorporation and Bylaws of the Association.

3.4 Duties and Voting of Board. The Board of Directors of the Association shall have the duties of management, operation, and maintenance of the Recreational Open Space and fences of the Subdivision, and if directed and conveyed by the Declarant, utility systems not controlled by the Town of Jackson, the Utility Company or an Improvement and Service District, enforcement of the provisions of this Declaration, the Articles and Bylaws of the Association, and the rules and regulations adopted by the Board of Directors from time to time.

- (a) No member of the Board and no officer shall be liable for actions taken or omissions made in the performance of such member's duties except for wanton and willful acts or omissions.
- (b) The Board of Directors shall act by majority vote.

3.5 Election of the Board. The Board of Directors shall be composed of five (5) persons. Initially, the Declarant shall appoint all five Directors. However, not later than sixty (60) days after conveyance of thirty-three percent (33%) of the lots that may be created pursuant to the Melody Ranch Planned Unit Development Final Development Plan in the area comprising the Upper Ranch Master Plat to Owners other than the Declarant, at least one member of the Board of Directors must be elected by Lot Owners other than the Declarant. Not later than either sixty (60) days after conveyance of sixty-six percent (66%) of such Lots to Owners other than the Declarant, not less than two of the members of the Board of Directors must be elected by Lot owners other than the Declarant. Not later than either sixty (60) days after the earlier of the conveyance of eighty-two and one half percent (82.5%) of such Lots to Owners other than the Declarant, two years after the last conveyance of a Lot by the Declarant in the ordinary course of business, or two years after any right to add new lots was last exercised, the Owners of the Units shall elect the entire Board of Directors, at least a majority of whom must be Lot Owners other than the Declarant or designated representatives of Lot Owners other than the Declarant.

3.6 Removal of Directors. The members may remove a Director other than a Director appointed by the Declarant, with or without cause, by a two-thirds vote of the members at which a quorum is present.

3.7 Reservation. Declarant reserves the right to convey the recreational open space and private roads to Melody Ranch Improvement and Service District and to contract with District for provision of any services for which the Association may collect assessments.

3.8 Delivery of Association Property. Within sixty (60) days after the Owners other than the Declarant elect a majority of the members of the Board, the Declarant shall deliver to the association all property of the Owners and of the Association not excluded under paragraph 3.7 above, which is held by or controlled by the Declarant, including without limitation, the following items:

(a) The original or certified copy of the recorded Declaration as amended, the Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any rules and regulations which may have been promulgated;

(b) An accounting for association funds and financial statements, for the date Association received funds and ending on the date when the Owners other than the Declarant took control of the Association. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the account's letter, expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information conformity with generally accepted accounting principles and the reasons therefore. The expense of the audit shall not be paid for or charged to the Association.

(c) The Association funds or control thereof;

(d) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association, and inventories of such property;

(e) A copy of any plans and specifications used in the construction of the improvements in the Subdivision which were completed within two years before the Declaration was recorded;

(f) All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured persons;

(g) Copies of any Certificates of Occupancy that may have been issued with respect to any improvements comprising the Subdivision;

(h) Any other permits issued by governmental bodies applicable to the Subdivision and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(i) Easements for use by the Association; Written warranties of any contractor, subcontractors, suppliers, and manufactures that are still effective;

(k) A roster of Owners and holder of first mortgages or deeds of trust and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(l) Employment contracts in which the Association is contracting party; and

(m) Any service contract in which the Association in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay fee to the persons performing the services.

3.9 **Budget.** The Association must prepare an annual budget. Within thirty (30) days after adoption of any proposed budget for the Association, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the members and shall set a date for a meeting of the members to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all members reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the members must be continued until such time as the members ratify an subsequent budget proposed by the Board.

3.10. **Assessments.** All Owners shall be obligated to pay assessments imposed by the Association to meet the expenses of management, operation, and maintenance of the Subdivision. Assessment shall be made against each Lot in proportion that the Lot bears to the total number of Lots in recorded Plats of Residential Unit No. One or Two as they may be amended from time to time. In addition, the Association may apportion the assessments against such Lots based on the benefits or burdens related to a particular Lot or class of Lots in its reasonable discretion. Assessments may include the costs of additional maintenance and operation of Recreational Open Space, and fences, expenses of management, taxes and special assessments unless separately assessed, landscaping, irrigation, and care of grounds for all lands within the Subdivision including the Recreational Open Space, additions, repairs and renovations, trash and garbage collection, wages, snow removal, utility systems, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, payment of any deficit from previous assessment,

creation of a reasonable contingency, reserve or surplus fund, and other costs and expenses relating to the Subdivision. Assessments shall be a personal obligation of each owner and suit to recover a money judgment shall maintainable without waiving the lien securing the same.

3.11 Assessment Lien.

(a) Assessments chargeable to any Lot shall constitute a lien on such Lot superior to all other liens and encumbrances except: (i) lien and encumbrances recorded before the recordation of the Declaration; (ii) a security interest on the Lot which has priority over all other security interests on the Lot and which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

(b) An assessment lien under this section 3.11. is superior to a security interest on the Lot which has priority over all other security interests on the Lot and which was recorded before the date on which the assessment sought to be enforced became delinquent to the extent thereof;

(1) any attorney fees and costs being incurred in an action to enforce the lien, plus,

(2) an amount equal to the common expense assessments based on a periodic budget adopted by the Association which would have become due, in the absence of any acceleration, during the six months immediately proceeding institution as action to enforced the lien, but in no event shall such priority accorded to the assessment lien exceed one hundred fifty percent of the average monthly assessment during the immediately preceding fiscal year multiplied by six.

(c) This section 3. 11 does not affect the priority of mechanics' or material men liens or the priority of liens for other assessments made by the Association.

(d) If any assessment shall remain unpaid 25 days after the due date thereof, the Association may impose a surcharge of 1.75% of such assessment on the first day of each calendar month thereafter so long as such assessment shall be unpaid, provided however, that the maximum surcharge in one year shall be no greater that twenty-one percent (21 %).

(e) Recording of this Declaration constitutes record notice and perfection of the lien. No further recordation is required.

(f) The Association's lien may be foreclosed in like manner as a mortgage on real estate containing a power of sale by advertisement and sale as allowed by the laws of the State of Wyoming.

(g) Upon such foreclosure, the Association's claim shall include the amount of unpaid assessments, penalties thereon, the costs and expenses of filing the notice of lien, and reasonable attorney's fees, and any deficiency shall be a common expense assessed equally to all Lot Owners. The Association may bid on the Lot at foreclosure sale and hold, lease, mortgage, or convey the same.

3.12 Statement of Assessments and Liability of Purchasers. The Association shall furnish to an Owner or his designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent a statement setting forth the amount of unpaid assessments currently levied against such owner's lot. The statement shall be furnished within fourteen (14) business days after receipt of the request and is binding on the Association, the Board of Directors, and every Owner. If no statement is furnished to the Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage pre-paid, the Association shall have no right to assess a priority lien upon the Unit for unpaid assessments which were due as of the date of the request.

(a) The grantee of a Lot shall be jointly and severally liable with grantor for all unpaid assessments against the tract accrued prior to the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

3.13 Incorporation into Future Filings For purposes of administration, maintenance and the sharing of expenses provided for in Section 3.8 or 3.9 above, the Association may be incorporated into any association created in the future pursuant to the further subdivision of lands now or hereafter owned by Declarant, its successors and assigns, which are located within Residential Unit No. One or Two of the Melody Ranch. Without incorporation, the Association may contract with any other homeowners association which administers Melody Ranch property or with an Improvement and Service District to mutually undertake functions similar to those undertaken by Association's pursuant to this Declaration and the costs incurred pursuant to said contract shall be a common expense of the Association.

3.14 Declarant's and Owners Acknowledgment of Future Development Potential. Declarant acknowledges that pursuant to the Land Development Regulations of Teton County, through which the Subdivision was created, the lands within the Subdivision and the Benefiting Parcel are presently restricted as to the number of lots which may be created; However, each owner of a lot, by acquiring title thereto subject to this Declaration, acknowledge and agrees that, for a period of ten years

following the recordation of the Declaration, subject to obtaining any necessary approval from the government of Teton County, Wyoming or any successor political entity having jurisdiction over the Subdivision and the Benefiting Parcel: (1) Declarant, its successors assigns, may undertake additional development of the Benefiting Parcel of a residential character and may involve subdivision and/ or rezoning; (2) no such owner shall have any claim against Declarant nor shall he make any objection to any such future development based upon any claim of reliance or misrepresentation with respect thereto; and (3) that the maximum number of Lots is ascertainable as being the number set out in the Final Development Plan for Residential Unit No. One or Two of the Melody Ranch, approved by the Teton County Commissioners on October 13, 1995.

ARTICLE 4 - ARCHITECTURAL REVIEW COMMITTEE

4.1 Architectural Review Committee. The Architectural Review Committee (ARC) shall mean the Board of Directors of the Association. The Architectural Review Committee shall have and exercise all of the powers, duties, and responsibilities set out in this instrument, and may, but shall not be required to, establish design guidelines and requirements for compliance with its authority, including the establishment of costs and fees reasonably related to the processing and evaluation of requests for Committee action. Such guidelines, requirements and fees may be amended, from time to time, by a majority vote of the ARC.

4.2 Approval by Architectural Review Committee. No improvements of any kind, including but not limited to dwelling houses, barns, stables, outbuildings, swimming pools, tennis courts, ponds, driveways, and parking areas, fences, walls, garages, antennae, flagpoles, curbs, walks, landscaping, irrigation ditches or structures, and wells shall ever be constructed or altered (including any change in exterior color or materials), on any lands within the Subdivision, nor may any vegetation be altered or destroyed nor any landscaping performed on any lot, unless the complete architectural plans for such construction or alteration or landscaping are approved in writing by the ARC prior to the commencement of such work. No person shall have the right to rely on any verbal approval. In the event the ARC fails to take any action within 60 days after complete architectural plans for such work have been submitted to it, then all of such submitted architectural plans shall be deemed to be approved. In the event the ARC shall disapprove any architectural plans, the person aggrieved may appeal the matter to the next annual or special meeting of the Members of the Association, where a vote of at least sixty-seven percent (67%) of the votes entitled to be cast at said meeting shall be required to change the decision of the ARC.

4.3 Variances. Where circumstances, such as topography, location of property lines, location of trees and bushes, or other matters require, the Architectural Review Committee may, by a two thirds vote, grant reasonable variances to any of the covenants contained in the Declaration, on such terms and conditions as it shall require; provided that no such variance shall be finally allowed until 30 days after

the Architectural Review Committee shall have mailed a notice of such variance to each Member of the Association. In the event thirty percent of the Members shall notify the Architectural Review Committee in writing of their objection to such variance within said 30-day period, the variance shall not be allowed until such time as it shall have been approved by a vote of at least sixty-seven (67%) of the votes entitled to be cast at an annual or special meeting of the Members of the Association.

4.4 General Requirements. The Architectural Review Committee shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on the lands within the Subdivision conform to the Development Standards contained in the Melody Ranch Planned Unit Development Final Development Plan and Harmonize with the natural surroundings and with existing structures as to external design, materials, color, siting, height, topography, grade, landscaping and finished ground elevation. The Architectural Review Committee shall protect the seclusion of each home site from the home sites insofar as possible and may require landscaping and the planting of specimen trees.

4.5 Preliminary Approvals. Persons or association who anticipate constructing improvements on lands within the Subdivision, whether they already own lands in the Subdivision or are contemplating the purchase of such land in the Subdivision or preliminary sketches of such improvements to the Architectural Review Committee for informal and preliminary approval or disapproval, but the Architectural Review Committee shall never be finally committed or bound by a preliminary or informal approval or disapproval until such time as complete architectural plans are submitted and approved or disapproved.

4.6 Architectural Plans. The Architectural Review Committee shall disapprove any architectural plans submitted to it which are not sufficient for it to exercise the judgment required of it by this Declaration.

4.7 Architectural Review Committee Not Liable. The Architectural Review Committee shall not be liable in damages to any person or association submitting any architectural plans for approval, or to any owner or owners of lands within the Subdivision, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, with regard to architectural plans. Any person or association acquiring the title to any property in the Subdivision, or any person or association submitting plans to the Architectural Review Committee for approval, by so doing, does agree and covenant that he or it will not bring any action or suit to recover damages against the Architectural Review Committee, its members as individuals, or its advisors, employees, or agents.

4.8 Written Records. The Architectural Review Committee shall keep and safeguard for at least five years complete permanent written records of all applications for approval submitted to it (including one set of all architectural plans

so submitted) and of all actions of approval or disapproval and all other actions taken by it under the provisions of this instrument.

ARTICLE 5 - GENERAL RESTRICTIONS ON ALL LOTS

5.1 Zoning Regulations. No lands within the Subdivision shall ever be occupied or used by or for any structure or purpose or in any manner which is contrary to the Melody Ranch Final Development Plan as approved by the County Commissioners of Teton County, Wyoming, validly in force and as amended from time to time, except as the same may be allowed under said regulations as a nonconforming structure. Subject to the provision of paragraph 3.14, no lands within the Subdivision (including any Lot within the Subdivision) shall be further subdivided subsequent to the recordation of the applicable Plat map. This Section 5.1 may not be amended without the written consent of the Board of County Commissioners of Teton County, Wyoming.

5.2 No Mining, Drilling, or Quarrying. No mining, quarrying, tunneling, excavating, or drilling for any substance within the earth, including but not limited to, oil, gas, minerals, gravel, sand, rock, geothermal and earth, except for activities conducted under prior mineral reservations, agricultural, utility, water and sewer purposes shall ever be permitted within the limits of the Subdivision.

5.3 No Business Uses. No lands within the Subdivision shall ever be occupied or used for any non- agricultural commercial or business purpose nor for any noxious activity and nothing shall be done or permitted to be done on any of said lands which is a nuisance or might become a nuisance to the owner or owners of any of said lands. No store, office, or other place of nonagricultural commercial or professional business of any kind; nor any hospital, sanitarium, or other place for the care treatment of the sick or disabled physically or mentally; nor any public theater, bar restaurant, or other public place of entertainment; nor any church; shall ever be constructed, altered, or permitted to remain within the Subdivision. Provided that nothing herein shall be deemed to prohibit the same if permitted under the Teton County Land Development regulations in effect and as amended from time to time and further provided such use does not constitute a nuisance or violate any other provision of this Declaration. The Declarant may maintain sales and/or construction offices within the subdivision at a location and of a design and layout as may be approved by the ARC. The sales and construction activities shall be solely related to the development and sales activities of Residential Unit No. One or Two of the Melody Ranch.

5.4. Signs With the Exceptions of one "For Rent" or "For Sale" sign (which shall not be larger than 18 x 24 inches) no advertising, billboards, unsightly objects, or nuisances shall be erected, altered, or permitted to remain any Lot in the Subdivision. The above-referenced "For Rent" or "For Sale" sign shall only be located, if permitted by the Architectural Review Committee, within the

boundaries of a Lot. Temporary sales and directional and informational signs may be erected by Declarant in conjunction with the sale of lots within the Subdivision.

5.5 Domestic animals or fowl. No domestic animals or fowl shall be maintained on any Lot other than not more than two generally recognized house or yard pets, provided, however, that such animals shall at all times be restrained or leashed, and subject to such limitations as may from time to time be set forth in the Bylaws of the Association, which may reduce the allowable number, restrict the type of pet, or require that such pets be confined indoors. Pets shall be fed indoors or, if fed outdoors shall be fed in a manner as not to become a wildlife attractor. If any animals are caught or identified chasing or otherwise harassing livestock, wildlife, people, vehicles or bicycles, the Board shall have authority to have such animal or animals impounded at any available location, and shall assess a penalty against the Owner of such animal or animals of Two Hundred fifty Dollars (\$250.00) plus all costs of impoundment. If any such animal or animals are caught or identified chasing or harassing wildlife, livestock, people, vehicles, or bicycles on a second occasion, the board shall have the authority to have such animal or animals impounded or destroyed, the determination of disposition being in the sole discretion of the Board. In the event that such animal or animals are not destroyed, the Board shall assess a penalty of Five Hundred Dollars (\$500.00) per animal, plus costs of impoundment. On a third violation, in addition to the foregoing penalties, the offending animal or animals shall be removed from the subdivision. No owner of any animal or animals impounded or destroyed for chasing or harassing livestock, wildlife or people shall have the right to any action against the Board or any member thereof, for the impoundment or destruction of any such animal or animals. In addition, violation of these restrictions on a third occasion may result in the termination of the right to keep pets on the property in the sole discretion of the Board.

5.6 Service Yards Equipment and Trash. All clothes lines, equipment, service yards, woodpiles, or storage piles on any lot in the Subdivision shall be kept screened by adequate planting or fencing so as to conceal them from the view of neighboring lots and streets and access roads. All campers, boats, trucks, and trailers shall be kept or stored in the recreational equipment storage yard provided by the Melody Ranch. Snowmobiles, bikes, motorcycles and other such possessions shall be kept stored within the residence, garage or storage shed, or at the recreational equipment storage yard. All rubbish and trash shall be removed from all Lots, and shall not be allowed to accumulate and shall not be burned, thereon except in burners approved by the ARC as to location, design, materials, construction, and except at such hours of the day as shall be established by the ARC.

5.7 No Discharge of Firearms. The discharge of firearms shall not be permitted on any of the lands in the Subdivision without approval of the ARC and only if reasonably related to bona fide ranching or farming necessities. Hunting activities may take place only with prior written consent of the Architectural Review Committee, and not with standing any such consent, shall not be conducted in a

manner that is disruptive of the peace and tranquillity of adjacent properties nor in a manner that could or is likely to create a threat to the safety of persons or property.

5.8 Noxious and offensive activities. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the enjoyment of their Lots, or in their enjoyment of common areas. All storage of toxic materials shall be limited and storage areas so constructed as to prevent any leakage or discharge of such materials into the Snake River or any of its tributaries, including underground aquifers. The use or disposal of hazardous materials must follow all federal and state requirements. Hazardous materials must not be disposed of on-site. In determining whether there has been a violation of this paragraph recognition must be given to the premise that Owners, by virtue of their interest in the Subdivision are entitled to reasonable enjoyment of the natural benefits and surroundings of the Subdivision. Without limiting any of foregoing, no exterior speakers, horn, whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Lots and improvements located thereon, shall be placed or used upon any Lot.

5.9 Noxious Weeds. Lot Owners shall take all actions necessary to control noxious weeds as defined by the Teton County Weed and Pest Control Board and /or the Board. Because the timing for effective control of noxious weeds is very critical, if a lot Owner fails to respond immediately to a written request for weed control from the Architectural Review Committee, the Board shall have the right to contract for such control service and the company so contracted shall have the right to enter upon any such Lot to treat noxious weeds without any liability for trespass. In the event that the Board provides for noxious weed treatment as described herein, the Owner of a Lot treated for noxious weed control shall pay all costs incurred by the Board. Noxious weed treatment shall be strictly limited to herbicides approved by the Teton County Weed and Pest Control Board. Under no circumstance however, shall materials, or methods be utilized to control noxious weeds which would endanger wildlife or sensitive wetlands habitat on the Property or adjacent lands.

5.10 Irrigation, Irrigation Ditches and Water Use. There are irrigation ditches, which are located on the Property. The irrigation ditches are identified on the subdivision plat of the Property. It is essential to keep these ditches flowing freely, to avoid flooding problems caused by blockage. The Owner of any Lot upon which any irrigation ditch is located shall not take any action to plug or impede the flow of such ditch. If possible the Owner of any ditch located on such Lot shall promptly notify the Board of any animals such as beaver who are plugging a ditch so that the Architectural Review Committee can take necessary control actions. No pesticides or other noxious or dangerous chemicals shall be put into or allowed to enter irrigation ditches or waterways. Declarant will not transfer irrigation water rights to any lot owner. All irrigation water previously utilized on any portion of the property will be reserved and retained by Declarant for abandonment or relocation

of use at Declarant's sole discretion. Each Owner shall cooperate with Declarant as necessary, but without expense to any Owner in accomplishing the abandonment or relocation of point of use of any water or water right that may have been appurtenant to the property prior to its conveyance to Owner by Declarant.

5.11 Wildlife Protection. It is recognized by the Declarant and the purchaser or Owner of any Lot within the Property, that many wildlife species live on or migrate through the Property during various times of the year. The following limitations on use and development are intended, in addition to all other requirements of these covenants, to protect, preserve and minimize the adverse effects of development on wildlife habitat. Each owner, by acceptance of a deed, does hereby waive any and all depredation claim against the State of Wyoming or the Game and Fish Department resulting from violation of any of the following provisions:

(a) No Owner of any Lot shall remove or alter or allow others to remove or alter any of the existing vegetation thereon, except as is absolutely necessary for the clearing and preparation of that portion of the building envelope necessary for the purposes of constructing authorized structures or roads thereon, and particular attention shall be given to the protection of trees identified by the Architectural Review Committee after consultation with the Wyoming Game & Fish Department as important to raptor species as perching and nesting sites.

(b) Dogs and other domestic animals shall be controlled and restrained at all times, and shall not be allowed to run at large on any portion of any Lot, except within an enclosed improvement area.

(c) No hunting or shooting of guns or discharge of explosives shall be allowed on any Lot without the prior written consent of the ARC.

(d) While no raptor nests are currently known to exist on the Property, all Owners are requested to immediately report locations of active raptor nests to a member of the Architectural Review Committee who shall report the information to the Wyoming Game & Fish Department. No active raptor nests shall be approached during the nesting season.

(e) The Owner of every Lot, as well as guests and invitees, shall comply with all State and Federal laws prohibiting harassment, injury or killing of any wildlife species on the Property comprising the Subdivision to which these Covenants are applicable.

(f) No elk or other big game animals shall be fed hay or any other food on the Property in order to prevent migrating animals from interrupting their migration to winter feeding grounds and to prevent such animals from becoming habituated to unnatural food sources. In addition, all new planting of shrubs and trees shall be limited to those species which are not unduly

palatable to browsing animal species. The Architectural Review Committee will provide a list in consultation with Wyoming Game & Fish Department of species of trees and shrubs which may be unduly palatable to browsing animals and,

(g) Introduction into the wild of any non-native animal species which might compete with or harm native species and result in their decline is prohibited. This includes domestic waterfowl in common or private aquatic areas because they have been proven to be very aggressive towards native waterfowl species.

(h) The purchaser of each Lot is hereby advised and notified that lawful hunting of birds and wild game may occur on lands surrounding the Subdivision and such owners acknowledge that neither the Association nor the Declarant controls or may control such hunting activities.

ARTICLE 6 - RESTRICTIONS ON LOTS

6.1 **Number and Location of Buildings.** Except for buildings or structures in place on the date of recording this Declaration, no buildings or structure shall be placed, erected, altered, or permitted to remain on any Lot other than:

- (a) One detached single-family dwelling house;
- (b) One guest or caretaker house (if permitted and approved under the Final Development Plan). If a caretaker house, it shall be attached to or within either the principal dwelling house or an approved outbuilding;
- (c) One attached or detached garage;
- (d) One or more accessory structures, and
- (e) Subject to the specific approval of the ARC, the County Commissioners and the provisions of the Final Development Plan, Residences with attached dwelling units.

6.1.1 No dwelling house, building or other structure shall be placed, erected, altered, or permitted to remain on any Lot at any site or location other than within the Building Envelope or set backs indicated either on the recorded plats of the Subdivision or in the Design Guidelines provided that if existing on the date of recording of this Declaration, such structures may be permitted to be located outside of an established Building Envelope. Not with standing the foregoing, if specifically permitted in writing by the ARC, such structures may be permitted to be located outside of an established Building Envelope or set backs. Each residential dwelling shall be equipped with fire detectors and a fire alarm. Each Lot owner shall be responsible for construction of the driveway which provides said Lot with access.

6.1.2 All improvements, construction, landscaping and alteration shall conform to the Development Standards contained in the Melody Ranch Planned Unit Development Final Development Plan, as amended from time to time.

6.1.3 The minimum floor area of any single family residence shall be as set forth in the Design Guidelines referred in Paragraph 6.1.5, exclusive of any garage, carport or unenclosed porches or decks. The ground floor area shall not be less than 800 square feet exclusive of any garage car port or unenclosed porch or deck.

6.1.4 In addition to the approval required to be obtained by the ARC, prior to issuance of residential building permits, individual home design and grading shall be reviewed and approved by a registered engineer or architect to insure that such construction and grading does not create any adverse impact on drainage throughout the Subdivision. In addition, prior to issuance of any such building permit for any Lot within the Subdivision, the Teton County Building Department shall review and approve a final drainage plan which addresses control of irrigation water and drainage water as they relate to adjacent lots and open space areas. All construction activity within Lots within the Subdivision shall be limited to the hours between 7:00 a.m. and 7:00 p.m.

6.1.5 All improvement, construction landscaping and alterations shall in addition conform to the Design Guidelines for Melody Ranch Residential Unit Two - First Filing promulgated and approved by Declarant and approved by the Board of County Commissioners of Teton County, Wyoming concurrently with the approval of the final plat for Melody Ranch Residential Unit Two - First Filing, copies of which are on file in the Teton County Planning Department and available from the Declarant. Design Guidelines may be modified and amended from time to time with the approval of the Declarant for so long as Declarant has not conveyed more than two thirds of the lots subdivided or approved for future subdivision pursuant to the Melody Ranch Planned Unit Development Final Development Plat and by the Architectural Review Committee and the Board of the County Commissioners of Teton County, Wyoming. Any such amendment shall operate prospectively only.

6.2 Dwelling House to be Constructed First. No guest house, caretaker house, garage, or other building shall be constructed on any Lot until after commencement of construction of the dwelling house on the same Lot. All construction and alteration work shall be prosecuted diligently, and each building, structure, or improvement which is commenced on any Tract shall be entirely completed within 18 months after commencement of construction. The provisions for temporary sanitary facilities, construction power, temporary fire service and all weather access as set out in the Final Development Plan shall be observed by all lot owners.

6.3 Towers and Antenna. No towers or radio or television antennae or satellite transmission receiving antennae shall be erected on any Lot without approval of the

Architectural Review Committee and shall be fully screened from view from adjacent properties.

6.4 Trees and Landscaping. No trees or brush growing on any Lot shall be felled or trimmed nor shall any natural areas be cleared, graded or formal lawn areas constructed, or landscaping performed on any Lot without the prior written permission of the ARC. All landscaping shall, at a minimum, conform to the master landscaping plan and planting schedule incorporated into the final development plan for the Subdivision. Each owner of a Lot shall provide prior to issuance of a building permit on said lot, financial assurances satisfactory to ARC, for the costs of landscaping necessary to comply with the Landscape Plan for said lot.

6.5 Tanks. No Tanks of any kind shall be erected, placed or permitted upon any Lot unless buried or if located above ground the location and screening shall be as determined by the ARC.

6.6 Used or Temporary Structures. No used or previously erected or temporary house, structure, house trailer, or non permanent outbuilding shall ever be placed erected, or allowed to remain on any Lot, except, to the extent permitted by all applicable County regulations, during construction periods, and no dwelling house shall be occupied in any manner prior to its completion.

6.7 Exterior Lighting All exterior lights and light standards on Lots shall be approved by the ARC for harmonious development and the prevention of lighting nuisances to other lands in the Subdivision and shall also fully comply with any applicable Teton County lighting regulations.

6.8 Off-Street Parking No dwelling house shall be constructed on any Lot unless there is concurrently constructed on the same Lot adequate off-street parking areas for at least four automobiles. Two of the automobiles are to be housed in enclosed garages and two automobiles may be accommodated outside on the site. All trailers or vehicles, boats, camper, snow machines, camper-trailers, and similar recreational vehicles, trailers or equipment, shall be parked stored or kept in enclosed garages of suitable size at all times or at an approved recreational vehicle storage site or lot.

6.9 Road Damage. Each owner of a Lot is responsible for any damage caused to the roadways within the Subdivision during the construction of improvements upon such owners property by any vehicle or equipment belonging either to said owner or to any person or entity using the roads within the Subdivision while engaged in any activity benefiting said owner. Metal treads or other "lugged" tread or tired vehicles are not permitted to drive across the roads within the Subdivision, however, such equipment may access lands within the Subdivision on a trailer or flatbed vehicle as may be appropriate provided any damage resulting therefrom is repaired and paid for as provided herein above. Each owner shall also be responsible for any damage caused by utility cuts in roads, washouts and run off damage caused by failure to install culverts properly and in a timely manner as may be necessary in

connection with construction of improvements upon or any other uses made by such owner to his Lot. The Board of Directors shall have the right to establish, implement and enforce an impact fee system to allocate costs for road damage and general wear and tear on the roads within the subdivision upon terms and conditions which said Board deems to be in the best interests of the members of the Association. Such impact fee system may include charges based upon "per vehicle", "per load", "per ton", or "per trip" calculations. Said system may also deny access to the Subdivision to any vehicle for which said impact fee has not been paid. The Board may also implement and enforce weight limits on the roads within the Subdivision.

6.10 Sanitary & Water Systems No sewer disposal system, sanitary system, cesspool, septic tank or well shall be allowed to be constructed or allowed to remain or be used on any Lot. All lots shall be connected to and shall utilize the domestic metered water and sewer distribution and collection system provided by the Melody Ranch or the Improvement and Service District or Home Owners Association.

6.11 Roof Design. The design of all roofs shall be carried out in a manner to create visual interest and variety. Roofs shall contain varied offsets, dormers, gables and hips to eliminate continuous and unvaried roof slopes.

ARTICLE 7 - RESTRICTIONS ON RECREATIONAL OPEN SPACE AREAS

7.1 No Structures or Improvements. Unless permitted by local zoning ordinances or any other applicable County regulations, as adopted or amended from time to time, no buildings, structures, or improvements of any nature shall be placed, erected altered, or permitted to remain on any recreational open space area shown on the Plat or final development plan, except for fences, ponds, irrigation structures, temporary and private roads giving access to Lots in the Subdivision, public pathways and recreational improvements and facilities. Necessary utility installations shall be permitted along established or platted utility easements and other areas as determined by the ARC.

7.2 Trees and Landscaping. No trees or brush growing in these areas shall be felled or trimmed, no natural areas shall be cleared, nor shall any natural vegetation, rocks, or soil be damaged or removed, nor any landscaping performed, unless first approved in writing by the ARC.

7.3 Temporary Buildings. No temporary house, house trailer, camper, boat, horse trailer, tent, construction materials, or other temporary or movable structure shall be placed, erected, or allowed to remain on any recreational open space area, except as attendant to lawful development.

7.4 Exterior Lighting. No exterior lights, fixtures, or standards shall be erected, installed, or permitted to remain on any lot, except as attendant to lawful development.

7.5 Leasing of Recreational OSA. No Recreational Open Space Area may ever be leased to any person or association without the prior written permission of the ARC except as is necessary to carry out the intents and purposes expressed in Article 8, herein reserving such authority to Declarant, its successors and assigns. The Declarant hereby reserves the right to deed the recreational open space to the Melody Ranch Improvement and Service District or Owners Association.

ARTICLE 8 - EASEMENTS AND LANDS RESERVED

8.1 Utility Easements Reserved. Declarant hereby reserves to itself, its successors and assigns, perpetual easements five feet in width: (1) on each side of the boundary line along the entire perimeter of each Lot and all other easements described in the recorded Plat of the Subdivision, for the purpose of constructing, maintaining, operating, replacing, enlarging, and repairing electric, telephone, water, irrigation, sewer, gas and similar lines pipes, wires, conduits, ditches, fences and landscaping.

8.2 Irrigation and Grazing Easements, and Agricultural Easement Area Reservation. Declarant hereby reserves to itself, its successors and assigns, perpetual easements across all of the lands in the Subdivision along the line of all domestic water and sewer lines, irrigation ditches and laterals presently in existence and across all other lands in the Subdivision, for the purpose of constructing, maintaining, relocating, replacing and operating domestic water supply systems, sewer systems, or irrigation ditches and laterals for the proper irrigation of all meadow lands in and adjoining the Subdivision or located on any lots therein. Declarant reserves to itself, its successors and assigns all lands within the benefiting parcel and the right to engage in any lawful development thereon, to conduct farming and ranching activities and to irrigate all meadow lands at all reasonable times, to build and to maintain fences and ditches and relocate the same from time to time and to go on all lots in the Subdivision for the purpose of carrying on such activities and irrigation of such meadow lands so as to preserve and maintain their natural beauty.

Declarant reserves to itself, its successors and assigns all lands within the Recreational Open Space and the right to engage in any lawful development thereon, to build and to maintain fences and ditches and relocate the same from time to time and to go on all lots in the Subdivision for the purpose of carrying on such activities and irrigating such meadow lands so as to preserve and maintain their natural beauty.

Declarant reserves to itself, its successors and assigns a perpetual, non-exclusive right to conduct farming, ranching and any other agricultural activities of every nature whatsoever thereon; to irrigate any or all lands thereon without, however, the obligation to do so and/or ranching activities of every nature whatsoever thereon; and to retain all crops and profits from such activities.

8.3 Easement for Private Roads and Equestrian Trails. In addition to the easements and reservations set forth on the Plat, Declarant hereby reserves to itself, its successors and assigns, perpetual easements across all roads within the Subdivision giving access to the Lots, the benefiting parcel and recreational open space area in the Subdivision as shown on the Plat or as may hereafter be established by the Declarant, together with right of the Declarant to permit the use of said easements by owners of the Benefiting Parcel for purposes of access, ingress, egress and placement of utilities.

ARTICLE 9 - ENFORCEMENT

9.1 Enforcement Action. The ARC shall have the right to prosecute any action to enforce the provisions of this Declaration by injunctive relief, on behalf of itself and all or Part of the Owners. In addition, each Owner and the Benefiting Parcel and/or the Association, shall have the right to prosecute any action for injunctive relief and for damages by reason of any violation of any provisions of this Declaration, In addition, the Board of County Commissioners of Teton County shall have the right to enforce the provisions of this Declaration for which said Board of County Commissioners has the right to approve an amendment as set forth in Section 11.2 hereof.

9.2 Limitations on Actions. In the event any construction or alteration or landscaping work is commenced upon any of the lands in the Subdivision in violation of any provision of this Declaration and no action is commenced within 180 days thereafter to restrain such violation, then injunctive or equitable relief shall be denied, but an action for damages shall still be available to any party aggrieved. Said 180-day limitation shall not apply to injunctive or equitable relief against other posted by any party seeking to enforce the provisions of this Declaration. No bond shall be required to be available to any party aggrieved. Said 180-day limitation shall not apply to injunctive or equitable relief against other violations of this Declaration. No bond shall be required to be posted by any party seeking to enforce the provisions of this Declaration against the owner of a Tract and all of said owners of Tracts hereby waive the requirement of posting a bond in such action.

ARTICLE 10 - INSURANCE

10.1 Insurance. The Association may purchase property insurance policies covering the subdivision property, the Agricultural Easement Area, Recreational Open Space Area, roads, easements, equipment, and other property that the Association, in its discretion, deems advisable. In addition, the Association may purchase commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, management or other activities related to the land shown on the Plat. The Association may purchase any other insurance policies it deems advisable.

10.2 Fidelity Insurance. If any Owner or employee of an Association controls or disburses funds of the Association, the Association must obtain and maintain, to the extent reasonably available, fidelity insurance. Coverage shall not be less in aggregate than two months' current assessments plus reserves, as calculated from the current budget of the Association.

10.2.1 Any person employed as an independent contractor by the Association for the purpose of managing the Subdivision must obtain and maintain fidelity insurance in an amount not less than the amount specified in Section 10.2, unless the Association names such person as an insured employee in a contract of fidelity insurance, pursuant to Section 10.2.

10.2.2 The Association may carry fidelity insurance in amounts greater than required in Section 10.2 and may require any independent contractor employed for the purposes of managing the Project to carry more fidelity insurance coverage than required in Section 10.2.

10.3 Insurance Premiums are Common Expenses. Premiums for insurance that the Association acquires and other expenses connected with acquiring such insurance are common expenses.

ARTICLE 11 - GENERAL PROVISIONS

11.1 Covenants to Run. All of the covenants contained in this Declaration shall be a burden on the title to all of the lands in the Subdivision, and the benefits thereof shall inure to the owners of all of the lands in the Subdivision, and the owner(s) of the Benefiting Parcel.

11.2 Termination and Amendment of Declaration. The covenants contained in this Declaration shall terminate unless extended by Amendment, on or before January 1, 2046, or at the time of final and intentional corporate dissolution of the Association, whichever date shall first occur.

This Declaration and/or the Plat may be amended by the owners of sixty-seven percent (67%) of the votes in the Association. A properly certified copy of any resolution of amendment shall be placed of record in Teton County, Wyoming, not more than six months after the date of said amendment. If the Declaration is so amended, then it shall continue in effect as amended, for so long thereafter as may be stated in said amendment. No amendment and no variance which is less restrictive than the provisions contained in Section 5.1 (Zoning Regulations), Section 5.5 (Animals), Section 5.9 (Noxious Weeds), Section 5.10 (Irrigation), Section 5.11 (Wildlife Protection), Section 6.1 (Number and Location of Buildings), Section 6.7 (Exterior Lighting), Article 7 (Restrictions on Agricultural Easements and Recreational Open Space Areas) and Section 11.2 (Termination and Amendment) shall be effective unless consent thereto is obtained from the Board of County Commissioners of Teton County, Wyoming.

